



## **DRAFT MINUTES**

### **LAFCO REGULAR MEETING**

**Wednesday, August 11, 9:00 a.m.**

**Planning Commission Hearing Room, Hall of Administration**

**10 Civic Center Plaza, Santa Ana**

*(Any member of the public may request to speak on any agenda item at the time that item is being considered by the Commission.)*

#### **1. CALL TO ORDER**

**Chair Charles Smith** called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:03 a.m.

#### **2. PLEDGE OF ALLEGIANCE**

**Chair Charles Smith** led the pledge of allegiance.

#### **3. ROLL CALL**

The following commissioners and alternates were present:

- **Commissioner Robert Bouer**
- **Commissioner Peter Herzog**
- **Commissioner Arlene Schafer**
- **Commissioner Charles Smith**
- **Commissioner Susan Wilson**
- **Alternate Commissioner Patsy Marshall**
- **Alternate Commissioner Rhonda McCune**
- **Alternate Commissioner Charley Wilson**

The following LAFCO staff members were present:

- General Counsel Clark Alsop
- Acting Executive Officer Bob Aldrich
- Project Manager Carolyn Emery
- Project Manager Kim Koeppen
- Communications Analyst Danielle Ball
- Administrative Assistant Daphne Charles

#### **4. APPROVAL OF MINUTES**

a.) July 14, 2004 – Regular Commission Meeting

**Commissioner Marshall** noted a revision on page 6: “Many cities have opted to include in their insurance coverage volunteers and Board members on city business and suggested that the County consider similar coverage.”

**MOTION:** Approve minutes from July 14, 2004 with revisions as discussed (Arlene Schafer)  
**SECOND:** Bob Bouer  
**FOR:** Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer, Charley Wilson, Susan Wilson  
**AGAINST:** None  
**ABSTAIN:** Charles Smith  
**MOTION PASSED**

**Commissioner Silva** entered the Commission meeting following the approval of the minutes from July 14, 2004.

#### **5. PUBLIC COMMENT**

**Chair Smith** requested public comments on any non-agenda item. Receiving no response, he closed the public comment agenda item without any comments from the public.

#### **6. CONSENT CALENDAR**

- a.) Legislative Report
- b.) Del Rio Annexation to the City of Orange (CA 04-13)
- c.) Annexations to the Orange County Sanitation District
  - Aronson Annexation to the Orange County Sanitation District (DA 03-27)
  - Holle Annexation to the Orange County Sanitation District (DA 04-03)
  - Bottger Annexation to the Orange County Sanitation District (DA 04-05)

**MOTION:** Approve the consent calendar (Bill Campbell)  
**SECOND:** Peter Herzog  
**FOR:** Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer, Charles Smith, Susan Wilson, John Withers  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**Commissioner Campbell** thanked the Assistant City Manager from the City of Orange for attending the Commission meeting.

## **7. PUBLIC HEARING**

a.) Sunflower/Fairview Annexation to the Costa Mesa Sanitary District (DA 03-08)

- 7a.** Project Manager Carolyn Emery presented the staff report for the Sunflower/Fairview annexation to the Commission. She said that the Costa Mesa Sanitary District initiated the proposal to annex approximately 104 acres of uninhabited territory currently located in the City of Costa Mesa to its service territory.

Ms. Emery highlighted an addition to the staff recommendations outlined in the staff report. Because the application did not include 100% property owner consent, she requested that the Commission direct the Acting Executive Officer to set a 21-day protest period.

**Commissioner Withers** entered the Commission meeting during the staff presentation of agenda item 7a.

**Chair Smith** opened the public hearing on the Sunflower/Fairview Annexation to the Costa Mesa Sanitary District (DA 03-08).

**Commissioner Schafer** asked if the Costa Mesa Sanitary District had sent anyone to the Commission meeting to speak on the proposal.

Jeff Reese, from C.J. Segerstrom & Sons, presented before the Commission. He indicated that the Costa Mesa Sanitary District was not represented at the Commission meeting, but he added that he was present on behalf of the Segerstroms and offered to answer any of the Commission's questions.

Receiving no requests from the public to speak on the proposal, **Chair Smith** closed the public hearing on the Sunflower/Fairview Annexation to the Costa Mesa Sanitary District (DA 03-08).

**MOTION:** Approve the Sunflower/Fairview Annexation to the Costa Mesa Sanitary District (DA 03-08) with revised recommendations as discussed (Peter Herzog)  
**SECOND:** Susan Wilson  
**FOR:** Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer, Charles Smith, Susan Wilson, John Withers  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

## **8. COMMISSION DISCUSSION**

a.) Contractual Agreement – Best Best & Krieger LLP

- 8a.** Acting Executive Officer Bob Aldrich presented the updated contract with the Commission's current legal counsel, Best Best & Krieger LLP (BB&K). He explained that the fee schedule had not been updated for a period of three years and added that the updated contract included a 6% increase to the firm's hourly rates, consistent with the consumer price index (CPI) increases over the last three years. He stated that the updated contract also included an automatic annual rate adjustment based on the CPI, an adjustment not to exceed 5% annually.

**Commissioner Herzog** pointed out that the contract could be terminated by either party with 60 days notice. He asked that Commission add a condition to its approval of the contract: that the Commission review the agreement with BB&K no less often than once every three years.

**Chair Smith** asked if the Commission had any objection to adding the condition specified by **Commissioner Herzog**. The Commission concurred the **Commissioner Herzog's** suggestion.

**Commissioner Campbell** asked how long the Commission had used BB&K for its legal counsel. Mr. Aldrich approximated that BB&K had served as the Commission's legal counsel for ten years or so. **Commissioner Campbell** stated that the Commission had received very fine service from BB&K but suggested that the Commission would be wise to check the marketplace following the appointment of the new Executive Officer.

**Chair Smith** stated that the rates specified in the contract seemed very reasonable but agreed with **Commissioner Campbell's** suggestion that it wouldn't hurt to test the market periodically.

**Commissioner S. Wilson** mentioned that BB&K also represents CALAFCO and that Clark Alsop serves as legal counsel on the CALAFCO Board of Directors.

**Commissioner Withers** explained that the Commission selected BB&K as its legal counsel through an RFP process following the departure of Ben de Mayo from County Counsel. He said that the working relationship with BB&K added an extra layer of independence from the County and was a very positive move for the Commission. He added that BB&K is a large firm that yields a lot of "bench strength" when legal issues arise.

**MOTION:** Approve contractual agreement with Best Best & Krieger  
LLP, with revisions as discussed (Arlene Schafer)  
**SECOND:** Robert Bouer  
**FOR:** Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer,  
Charles Smith, Susan Wilson, John Withers  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

## **9. COMMISSIONER COMMENTS**

**Chair Smith** opened commissioner comments.

**Commissioner Campbell** commented about an article he read in the LA Times regarding the use of consultants and PR firms by Metropolitan Water District. He said that he felt the agency's behavior was obscene and added that, while the Commission has no authority over Metropolitan Water District, he hoped that state legislation would be enacted to prevent such blatant waste of taxpayers' dollars. **Commissioner S. Wilson** echoed his sentiments, commenting about an extravagantly lavish Metropolitan Water District-sponsored event that she had once attended.

With the pending appointment of a new Executive Officer, **Commissioner S. Wilson** commended Acting Executive Officer Aldrich for his excellent stewardship of the Commission and staff during his time as Acting Executive Officer.

Receiving no further response, **Chair Smith** closed the public comment agenda item without any additional comments from the Commission.

## **10. INFORMATIONAL ITEMS**

- a.) Protest Hearing for the Planning Area 6 Annexation to the City of Irvine (CA 04-04)
- b.) City Detachment Pre-Hearing – Columbus Grove Reorganization (RO 04-12)
- c.) Update re the 2004 CALAFCO Annual Conference

- 10a.** Project Manager Kim Koeppen stated that Acting Executive Officer Aldrich held a protest hearing for the Planning Area 6 Annexation to the City of Irvine (CA 04-04) on August 9, 2004. She stated that no protests were submitted during the protest hearing, nor had staff received any protests prior to the hearing. She added that the certificate of completion was recorded with the Clerk-Recorder on August 10, officially completing the annexation.
- 10b.** Acting Executive Officer Aldrich explained that staff had received an application for the reorganization of approximately 22 acres located along the border between the

Cities of Tustin and Irvine. He said that the proposed reorganization would involve the detachment of those 22 acres from the City of Irvine and the annexation of that same territory to the City of Tustin. He indicated that the Commission would consider the proposal later in the year but added that Government Code Section 56751 requires LAFCO to place the proposal on its agenda for informational purposes only. He said that no Commission action was required.

Project Manager Carolyn Emery indicated that the placement of this item on the agenda initiated the 60-day comment period. She said that the Commission would not be able to consider this proposal for at least 60 days unless the City of Irvine filed a resolution with the Commission waiving the 60-day comment period.

**Commissioner Withers** indicated that he understood the proposal to be a form of administrative clean-up that both cities had agreed upon.

- 10c.** Communications Analyst Ball provided a brief update to the Commission on the planning effort related to the 2004 CALAFCO annual conference convening at Disney's Grand Californian Hotel in Anaheim from September 8 through September 10. She highlighted some of the conference sessions and panelists who would be featured at the conference.

Ms. Ball requested that the commissioners RSVP to her and indicated that she would coordinate registration on the Commission's behalf.

**11. CLOSED SESSION**

**PUBLIC EMPLOYEE APPOINTMENT**

(Section 54957)

Title: Executive Officer

**CONFERENCE WITH LABOR NEGOTIATORS**

Discussion with unrepresented employee for the position of Executive Officer.

NEGOTIATOR FOR LAFCO: Mary Alcock

UNREPRESENTED EMPLOYEE: Joyce Crosthwaite

**Chair Smith** adjourned the regular meeting at 9:30 a.m.

Legal Counsel Clark Alsop noted that there would be a reportable action following the closed session.

**Chair Smith** adjourned closed session at 9:40 a.m.

Legal Counsel Clark Alsop stated that the Commission convened in closed session to discuss the public employee appoint and confer with labor negotiators. He confirmed

that the Commission took reportable action during the closed session and turned the meeting back over to the Commission.

**12. ADOPTION OF RESOLUTION APPROVING EMPLOYMENT AGREEMENT FOR NEW EXECUTIVE OFFICER**

**Commissioner Herzog** moved that the Commission adopt a resolution approving the employment agreement with new Executive Officer Joyce Crosthwaite. **Bill Campbell** seconded the motion.

**MOTION:** Adopt resolution appointing Joyce Crosthwaite the Executive Officer of LAFCO (Peter Herzog)  
**SECOND:** Bill Campbell  
**FOR:** Robert Bouer, Bill Campbell, Peter Herzog, Arlene Schafer, Charles Smith, Susan Wilson, John Withers  
**AGAINST:** None  
**ABSTAIN:** None  
**MOTION PASSED**

**Chair Smith** welcomed Joyce Crosthwaite to LAFCO on behalf of the Commission.

Ms. Crosthwaite stated that she would communicate a start date to the Commission by the end of the week but added that she anticipated beginning her new position in advance of the CALAFCO annual conference.

**13. ADJOURNMENT**

**Chair Smith** adjourned the meeting at 9:43 a.m.

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BOB ALDRICH  
Acting Executive Officer  
Orange County Local Agency Formation Commission

By: \_\_\_\_\_  
Danielle M. Ball  
Commission Clerk